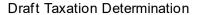
TD 2014/D10W2 - Notice of Withdrawal - Income tax: does forex realisation event 4 happen to the debtor under subsection 775-55(1) of the Income Tax Assessment Act 1997 on repayment of a loan taken out prior to the effective date of a choice to use the applicable functional currency and denominated in the same non-AUD currency that later becomes the applicable functional currency?

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This document has changed over time. This is a consolidated version of the ruling which was published on 26 June 2024





TD 2014/D10

Page 1 of 2

Notice of Withdrawal

Draft Taxation Determination

Income tax: does forex realisation event 4 happen to the debtor under subsection 775-55(1) of the *Income Tax Assessment Act 1997* on repayment of a loan taken out prior to the effective date of a choice to use the applicable functional currency and denominated in the same non-AUD currency that later becomes the applicable functional currency?

- 1. TD 2014/D10 deals with whether subsection 775-55(1) of the *Income Tax* Assessment Act 1997 is satisfied on repayment of a loan obligation which straddles the effective date of an applicable functional choice and which is denominated in the same non-AUD currency as the applicable functional currency.
- 2. Following comments received as part of the public consultation process for TD 2014/D10, the ATO withdrew the draft Determination on 8 October 2014.
- 3. We now consider a new draft determination is unwarranted due to insufficient demand. Furthermore, we also now consider that it would not be correct to take the view that forex realisation event 4 does not happen in the circumstances outlined in former TD 2014/D10.
- 4. We will apply the view that forex realisation event 4 happens in the circumstances outlined in former TD 2014/D10 to gains and losses where the applicable functional currency election is made on or after 12 June 2024.

Commissioner of Taxation

8 October 2014

Draft Taxation Determination

TD 2014/D10

Page 2 of 2

ATO references

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